(c) The responsibility for following up implementation of projects is left to institutions which have lent monies to the project as well as institutions which have appraised the project for public issue. It is, therefore, not proposed that SEBI or the Government take on this responsibility.

ENTRY OF MULTINATIONALS INTO THE INDIA ECONOMY

2620. SHRIMATI KAMLA SINHA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the process of economic reforms initiated by the present Government has ceased the entry of multinationals into the Indian economy;

(b) whether such of this entry is through a process of mergers with and acquisitions of Indian branches|companies, with little fresh investment in Indian industry; and

(c) if so, what are the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS) (DR. ABRAR AHMED) : (a) Yes, Madam. The Government policy for foreign investment in Indian Industry is based on the premises that foreign investment supplements domestic investment, encourages modernisation and upgradation of technology, and enhances international competitiveness. Accordingly, the major policy initiatives undertaken by Government in this direction since July 1991 include, inter-alia, automatic approval by the Reserve Bank of India of 51 per cent foreign equity participation in a specified list of industries, considerations of cases having foreign equity above 51 per cent by a specially constituted Foreign Investment Promotion Board (FIPB), amendment of the Foreign Exchange Regulation Act (FERA) to remove a number of constraints applicable to foreign equity and simplification of procedures for Indian companies for investing abroad.

(b) and (c) : During August 1991—October 1993, 1504 proposals having foreign investment of Rs. 10878.4 crore were approved. The actual inflow of foreign direct investment was Rs. 351.4 crore in 1991, Rs. 675.2 crore in 1992 and Rs. 1388.9 crore during January—September 1993. It is clearly evident that there is an increasing trend of foreign capital, as the amount in the first 9 months of this year is already twice as much as that achieved in the entire period of last year and is nearly four times of the level achieved in 1991.

PROFIT OF RBI

2621. SHRI ASHOK MITRA : Will the Minister of FINANCE be pleased to state :

(a) what are the details of the Reserve Bank of India's operational profits for each year since 1980-81 alongwith correspondngi data for gross earnings and expenses;

(b) the manner in which such operational profits have been disposed of; and

(c) whether a part of the profits each year was set aside to build a reserve fund ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) and (b) : The details of Reserve Bank of India's total income, total expenditure, operational profit appropriation to statutory funds and amount transferred to Government for the year 1980-81 to 1992-93 are as under :—